REMARKS

Reconsideration of the rejections set forth in the Office Action dated April 15, 2001, is respectfully requested.

Claim Objections

Applicant has addressed the Examiner's objections by amending claims 19, 20, 36, and 41 herein. Applicant therefore respectfully requests that the Examiner withdraw the objections directed to the informalities.

The Rejection of Claims 37-39 Under 35 U.S.C. Section 102(e)

The Examiner rejected claims 37-39 for allegedly being anticipated under 35 U.S.C. Section 102(e) by Mohan (U.S. Patent No. 6,121,922). Applicant has amended claim 37 to recite as its first component, "a smart card having the dimensions of a conventional plastic credit card." Applicant respectfully asserts that Mohan does not teach a system that comprises a smart card, much less a smart card that has the dimensions of a conventional plastic credit card. Mohan merely describes a miniaturized tracking system, and nowhere in Mohan is there any motivation or suggestion to integrate that tracking system with a smart card or credit card. In fact, there is no mention anywhere in Mohan of a smart card or credit card.

Furthermore, the system of Mohan could not be assembled or integrated with a smart card or any type of credit card because it is simply too large. Mohan's tracking system uses a module 100 that is roughly two inches square and one-half inch thick (see Col. 3, lines 37-40). Applicant has amended claim 37 to make it clear that the recited smart card has the dimensions of a conventional plastic credit card. The conventional plastic credit card is approximately 3 ¼ inches by 2 inches

with a thickness of approximately 1/40th of an inch. Thus, the Mohan system is simply too thick to fit on a smart card that retains the dimensions of a conventional plastic credit card. If the Mohan module were integrated somehow with a smart card, that smart card would no longer have the dimensions of a conventional plastic credit card, but would instead have a thickness of about one-half inch extending across most of its area. That would of course destroy the operability of the smart card because it could no longer be used with conventional credit and smart card readers, thus rendering all of the other applications/functions associated with the smart card useless.

Therefore, Applicant respectfully asserts that claim 37 as amended is patentably distinct from Mohan and all of the other references cited by the Examiner. Claims 38 and 39, as well as new claims 44-46, all depend from claim 37 and are patentably distinct from the prior art for at least the same reasons articulated with respect to claim 37.

The Rejection of Claims 40 and 41 Under 35 U.S.C. Section 102(b)

The Examiner rejected claims 40 and 41 for allegedly being anticipated by Boston (U.S. Patent No. 4,766,293). Applicant has amended claim 40 to recite a smart card "having the dimensions of a conventional plastic credit card, said smart card comprising a microprocessor, a memory, an automated location tracking means, a program capable of converting a predetermined cash value from a first currency value to a second currency value based on the location of the smart card as determined by the automated location tracking means . . . ." The system described in Boston does not include an automated location tracking means, nor does it include a program capable of currency conversion based on the location of the smart card as determined by the automated location tracking means.

Moreover, there is no motivation or suggestion articulated anywhere in Boston to integrate an automated location tracking means into a smart card. In fact, Boston solves the problem of

deciding which currency to convert to in two steps. The first step is to load a conversion rate into the card by contacting the card issuer (see Col. 6, lines 40-52). The second step is to manually set the conversion rate through the keypad that is provided on the card (see Col. 7, line 49-Col. 8, line10) when travelling. Thus, one of ordinary skill in the art would not look to any other references to solve this problem, which has already been solved by Boston.

Furthermore, the combination of Boston and Mohan is inappropriate for the additional reason that such a combination would render the credit and ATM functions of Boston inoperable due to the cumbersome size of the Mohan system. The card used in Boston can be used in automatic teller machines (see Col. 6, line 44), and that would be impossible if Mohan were somehow attached to the Boston card. Therefore, one of ordinary skill in the art would not combine the teachings of Boston and Mohan.

In conclusion, none of the prior art references cited by the Examiner, either alone or in combination, teach or suggest a system that includes a smart card that can automatically convert currency using a currency conversion program interfaced with an automated location tracking system. Therefore, Applicant respectfully asserts that claim 40 is patentably distinct from all of the prior art cited by the Examiner. In addition, claims 41-43, which depend from claim 40, are patentably distinct for at least those reasons articulated with respect to claim 40.

The Rejection of Claims 1, 3-8, 13, 14, 35 and 36 Under 35 U.S.C. Section 103(a)

The Examiner rejected the above-identified claims under 35 U.S.C. Section 103(a) as allegedly being unpatentable over Pitroda (U.S. Pat. No. 5,590,038) in view of Mohan. First, there is no motivation or suggestion in either of those two references to combine the teachings thereof. There is no discussion anywhere in Pitroda for the need to track the UET. Therefore, it would not

be obvious to one skilled in the art to introduce a solution when no problem is identified in the first place.

Second, claim 1 as amended recites "a smart card capable of performing more than one function, said smart card having the dimensions of a conventional plastic credit card . . . and a location tracking means." To begin with Pitroda does not teach a smart card. The Pitroda device is more like a personal digital assistant, like a Palm Pilot™, than it is a smart card. In fact, it's main purpose is to replace conventional plastic credit cards (see Col. 2, lines 44-48 ("It is an object of the present invention to provide a universal electronic transaction card ('UET card') . . . and thereby replacing plastic cards, which are presently used for the same purpose.")). Thus, it is clear that Pitroda is not able to integrate all of the applications that are claimed in claim 1 into a smart card, but instead requires a much larger PDA type of device. Here, Applicant has overcome the shortcomings of Pitroda by integrating numerous applications and a location tracking means into a smart card that has the dimensions of a conventional plastic credit card.

In addition, the combination of Pitroda and Mohan does not teach a smart card having the dimensions of a conventional plastic credit card. Nothing in Pitroda or Mohan either teaches or suggests the use of a smart card having the dimensions of a conventional plastic card. Therefore, the combination does not address all of the limitations of claim 1.

Furthermore, Mohan's location tracking system could not be assembled with a smart card or credit card having the dimensions of a conventional plastic card for the reasons discussed above. Therefore, even if Pitroda did teach a smart card, which it doesn't, the combination of Mohan and Pitroda would be inappropriate, because it would render all of the other applications of the smart card inoperable. Thus, it would not be obvious to one of ordinary skill in the art to combine the teachings of Mohan with those of Pitroda.

For all of the above reasons, Applicant respectfully asserts that claim 1 is patentably distinct from the prior art cited by the Examiner. Claims 1-17 depend from claim 1 and are patentably distinct for at least those reasons articulated with respect to claim 1.

In addition to the above reasons in support of patentability, claim 2 is patentably distinct from the prior art cited by the Examiner because it adds a magnetic strip onto the smart card described in claim 1. The Examiner has taken the position that Grant et al. (U.S. Pat. No. 6,095,416) teaches a card having a magnetic strip and that the combination of Grant et al. with Pitroda as modified by Mohan allegedly renders claim 2 obvious. Applicant disagrees because there is no motivation or suggestion in any of those references to add a magnetic strip on the UET of Pitroda. In fact, Pitroda teaches away from the use of magnetic strips because it states that the purpose of the invention is to replace conventional plastic cards (see Col. 2, lines 47-48). Furthermore, all of the memory needs of Pitroda's UET is provided using RAM or ROM (see Col. 11, lines 19-28), and magnetic strips are not needed and would provide no added benefits to Pitroda. For those reasons, one skilled in the art would not look to Grant et al. or anywhere else to place magnetic strips on Pitroda's UET, and claim 2 is therefore patentably distinct from the combination of prior art references asserted by the Examiner.

Claim 35 as amended recites the steps of 1) providing a smart card "having the dimensions of a conventional plastic credit card," and 2) "inserting the smart card into the access device, wherein the access device is shaped to receive a smart card having the dimensions of a conventional plastic credit card." Applicant respectfully asserts that neither of those steps is taught in either Pitroda or Mohan.

With respect to the first step, neither Pitroda nor Mohan describes a smart card having the dimensions of a conventional plastic credit card. Thus, even a combination of the two references does not account for that step of claim 35 as amended.

Moreover, the location tracking system of Mohan would not fit properly on a smart card having the dimensions of a conventional plastic credit card. And if you were to place such a system on the smart card recited in claim 35, it would render the smart card inoperable. More importantly, even if Pitroda did teach a smart card having the dimensions of a conventional plastic credit card, which it does not, a combination of Pitroda and Mohan would result in a device that is at least one-half inch thick. Thus, a combination of those references could not result in a card that has the dimensions of a conventional plastic credit card as recited in claim 35.

With respect to the step of inserting the smart card in an access device shaped to receive a smart card having the dimensions of a conventional plastic credit card, Pitroda's UET could not possibly be inserted into an access device shaped in that way. In fact, Pitroda's UET requires special interfaces designed for the UET Card (see Col. 14, lines 58-65 and Figs. 22, 23, and 24). Furthermore, as already explained, any card resulting from the combination of Mohan with Pitroda would be at least about one-half inch thick, and probably more like one inch thick, because the Mohan system is about one-half inch thick alone. One could not perform the step of inserting such a massive card into an access device such as the one recited in claim 35. In short, claim 35 as amended is patentably distinct from the asserted combination because 1) it would not be obvious to one of ordinary skill in the art to combine Mohan and Pitroda, and 2) the combination of those references does not teach all of the steps of the claim.

For all of the above reasons, Applicant respectfully asserts that claim 35 as amended is patentably distinct from the prior art cited by the Examiner. Claim 36 depends from claim 35 and is patentably distinct for at least those reasons articulated with respect to claim 35.

The Rejection of Claims 18-25 Under 35 U.S.C. Section 103(a)

The Examiner rejected claims 18-15 under 35 U.S.C. Section 103(a) as allegedly being unpatentable over Pitroda as modified by Mohan in view of Chapin, Jr. (U.S. 5,883,377). Claim 18 as amended recites a smart card having the dimensions of a conventional plastic credit card, a first magnetic strip, a second magnetic strip, and a tracking device. Applicant has already explained that neither Pitroda nor Mohan either alone or in combination teaches a smart card having the dimensions of a conventional plastic credit card. Applicant has also already explained why one of ordinary skill in the art would NOT place magnetic strips on Pitroda's UET. In short, the combination asserted by the Examiner fails to render claim 18 obvious for two reasons: 1) it does not teach a smart card having the dimensions of a conventional plastic credit card; and 2) it would not have been obvious to one of ordinary skill in the art to combine Pitroda, Mohan, and Chapin Jr. or Grant et al. Therefore, Applicant respectfully asserts that claim 18 is patentably distinct from the prior art cited by the Examiner. Claims 19-34 depend from claim 18 and are patentably distinct from the prior art cited by the Examiner for at least those reasons articulated with respect to claim 18.

Attached hereto is a marked-up version of the changes made to the claims. The attached page is captioned "**Version With Markings to Show Changes Made**."

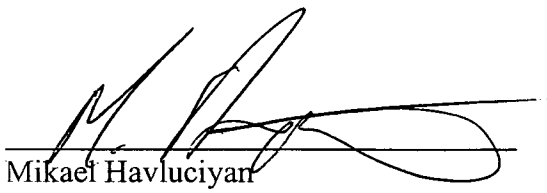
Conclusion

No amendment herein was made for the purpose of narrowing the scope of any pending or cancelled claim, unless Applicants have argued herein that such amendment was made to distinguish over a particular reference or combination of references.

For all the foregoing reasons, Applicants respectfully assert that the claims are now in condition for allowance. Favorable action on the merits of the claims is therefore earnestly solicited. If any minor issues remain, please contact Applicants' undersigned representative at (858) 552-8400. The Commissioner is hereby authorized to charge any fees that may be required by the filing of this paper to Deposit Account No. 12–2475.

Respectfully submitted,

LYON & LYON LLP

Dated: August 2, 2001 By: 

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Version With Markings to Show Changes Made

IN THE CLAIMS

The following claims have been amended herein as follows:

1. (Amended) A smart card capable of performing more than one function, said [illegible] ~~as of a conventional credit card and comprising the smart card comprising~~:

a first memory ~~means~~ comprising a first set of data to access a bank account, a second set of data to access a credit card account, a third set of data representing the identification of a holder of the smart card, and a fourth set of data to access telephone communication services;

a microprocessor, said microprocessor being in electrical communication with a second memory ~~means~~; and

~~a~~ location tracking means for determining a location of the smart card.

2. (Amended) The smart card of claim 1, wherein the first memory ~~means is~~ comprises a magnetic strip.

3. (Amended) The smart card of claim 1, wherein the second memory ~~means~~ comprises EPROM or EEPROM.

4. (Amended) The smart card of claim 1, wherein the second memory ~~means~~ comprises RAM and ROM.

18. (Amended) A smart card having the dimensions of a conventional plastic credit card and a proximal end and a distal end, said smart card comprising:

a first magnetic strip comprising a first set of data and a second set of data;

a second magnetic strip comprising a third set of data and a fourth set of data;

an integrated circuit embedded in said smart card, said integrated circuit comprising a microprocessor in electrical communication with a memory; and

a tracking device capable of transmitting a signal unique to the smart card.

19. (Amended) The smart card of claim 18, wherein the first set of data and the second set of data can only be read by a credit card reader when the smart card is inserted into the credit card reader from one of said ~~first~~ proximal and said ~~second~~ distal ends.

20. (Amended) The smart card of claim 19, wherein the third set of data and the fourth set of data can only be read by a credit card reader when the smart card is inserted into the credit card reader from the other of said ~~first~~ proximal and said ~~second~~ distal ends.

35. (Amended) A method of gaining access through an access device upon payment of a value, the method comprising the steps of:

providing a smart card having the dimensions of a conventional plastic credit card, said smart card comprising:

a first memory ~~means~~ comprising a first set of data to access a bank account, a second set of data to access a credit card account, a third set of data representing the identification of a holder of the smart card, and a fourth set of data to access telephone communication services;

a microprocessor, said microprocessor being in electrical communication with a second memory ~~means~~; and

– [illegible] location tracking means for determining a location of the smart card;

[illegible] n the access [illegible] m the access device [illegible] to receive a sm[illegible] having the dimensions of a c[illegible]ventio[illegible] stic credit card ~~operatively coupling~~ ~~[illegible] to [illegible] access device~~;

reading at least one of said four sets of data;

performing a first authentication process on said at least one set of data; and

permitting access if said step of performing a first authentication process meets a required condition.

36. (Amended) The method of claim [illegible], wherein the location tracking means transmits an identifiable signal, said signal being detectable by a global positioning satellite system.

37. (Amended) A system for locating the position of a smart card, said system comprising:

a smart card [illegible] dimensions [illegible] plastic [illegible], said smart card comprising a microprocessor, memory ~~means~~, and [illegible] mated location trac[illegible] wherein [illegible] ~~means~~ and automated [illegible] tracking means are [illegible] communication with [illegible] ~~said microprocessor [illegible] n electrical communication with a memory means, and a location tracking means~~;

a global positioning system satellite in duplex communication with the location tracking means; and

a central processing center in duplex communication with the global positioning system satellite, said central processing center capable of receiving coordinate data transmitted from the global positioning system satellite and determining the location of the smart card.

40. (Amended) A system of converting a known value of a first currency to a known value of a second currency, said system comprising:

a smart card having the dimensions of a conventional plastic credit card, said smart card comprising a microprocessor, a memory, an automatic location tracking means, a program capable [illegible] and a communication means for [illegible];

a central processing center comprising a computer having real time data comprising the value of said first currency in relation to said second currency; and

communication means between said smart card and said central processing center.

41. (Amended) The system of claim ~~1~~ , wherein the communication means comprises ~~is~~ a telephone line.

42. (Amended) The system of claim — , wherein the communication means [illegible] ~~is~~ a satellite link between the central processing center and the smart card.

43. (Amended) The system of claim ~~1~~ , wherein the communication means

_____ a wireless communication systems linking said central processing center to said smart card.